

A

REVIEW

OF THE

STATE

OF THE

BRITISH NATION.

Saturday, June 18. 1709.

IT may be ask'd me upon my writing the two last *Reviews*, what puts me in so much Pain for our publick *Credit*, a Thing so well establish'd, that there is no Fear of breaking in upon it, nor is it in the Power of all the Stock-jobbing in the Nation to hurt it?

I answer, That it is true, and will be so, as long as Success crowns our Arms—— Victory and Credit keep a Pace pretty true with one another—— But pray, will you tell me, why, upon the breaking up of our late Treaty, and the *French* rejecting the Preliminaries, our Stock-jobbers should run down the Price of Bank Stock 15 per Cent. in two Days Time—— And tho' you should be able to answer me, yet can you tell us

farther, how comes it in their Power thus to add to or take from the Value of publick Funds? — This is the State-Plague I am struggling to have cur'd—— For if on the Stop put to a Peace, a Thing, which it is not yet determin'd, whether we should be sorry for, or glad of, they can run upon the publick Foundations at this Rate—— What can they not do (and as to their Good-Will we know it pretty well already) if any Misfortune should attend us? — The running up these things 25 to 26½ per Cent. Advance upon the View of a Peace, when 'tis evident, a Peace would not be any visible Advantage to the Bank, *as such*, is a great Testimony of the Power, they have, by imaginary Advances, or by like

like Retreats, to influence these Things, and it is hard, the Government should lie thus at the Mercy of common Vogue, to be *blown up* or *blown out* by the Breath of a few Men, who upon all Occasions buy up our Disasters, and sell our Successes.

As Credit in Trade is the Life of our Commerce, and the Foundation of its prodigious Extent; so the publick Credit is the Life of the War, and the Life of our prodigious Expence. *Britain* could no more maintain such an Army, and such a Navy; support such an Alliance, and contribute such Subsidies to the respective Confederates, if all was to be carry'd on by the meer *Species* of Money, than *A. B.* at the Sign of the ... between *Bow-Church* and *Aldgate*, can begin the World with less than 500*l.* Stock, lose 2000*l.* out of it, have 5000*l.* worth of Goods in his Shop, and return 20000*l.* a Year in his Trade—These are some of the Mysteries of Trade, of which I shall speak more largely hereafter.

And let me say a Word here by Way of Digression to *Scotland*—When they are ready there to object against themselves, that they shall never fall into Trade—Trade can never flourish in *Scotland*, till Personal Credit gets a Footing there—Do you want Stock in *Scotland*? Credit is a Stock—Thousands of Shop keepers and Merchants in *England*, that look very big upon the *Exchange*, and behind their Counters, have no other Stock, except a Stock of something I need not name; Credit is Stock, and Money, and every Thing; he that has it, may trade whether he has a Foundation or no—Again, it is a teeming, fruitful *Species*, it begets it self, and generates by innumerable Mixtures; he that takes Credit, gives it; he that boldly runs into other Mens Debt, lets other Men boldly run into his: And tho' this, when imprudently hazarded, is fatal in a great many Cases, and many young Tradesmen sink under the Miscarriage; yet the Encrease of the general Article of Trade is form'd by it.

Scotland, they say, wants a Stock for Trade. But if *Scotland* once comes to take and give Credit, she immediately has ten or fifteen Millions of Stock added to her for

the Encrease of her Commerce—But say some, from whence shall this Credit come? And the Answer to this perhaps will be yet more mysterious; Even from it self, *Scotland* shall give *Scotland* Credit—Your own launching out in Trade, upon the Credit of one another, is the full and fair Foundation of raising your Trade.

There is but one Objection to Credit, and that lies in the last Consumer: No Man ought to take Credit, or give it for Food or Cloths; for as that is the Point or End of Trade, so a Credit there tends not at all to the Encrease of Commerce, but to the Decrease of it—The Retail of the Goods sold is the last Act of Trade, this we call the Consumption, and is the End of Circulation—To trust here is a Kind of Stagnation, not a Revolution—Because here is no rolling on—Trust to him that sells, enables him to trust another, and him a third, and so on to the Retailer; but Trust to the Consumer, is putting a Stop to the Motion; the first encreases Trade, the last heightens it—If a Man trusts me with 100*l.* in Trade, I can perhaps return this twice a Year, which is 200*l.*; the next Man I trust with it, returns it twice a Year also, and so on perhaps through ten Hands—If every one gets 10 per Cent. let this be cast up, the 100*l.* original Credit, causes 2000*l.* to be return'd in the Year, and the Profits of that in ten Hands is 200*l.* Encrease to the publick Stock.

Thus insensibly Credit makes Stock, and encreases Trade; and that Trade encreases Gain: To descend to Particulars; a Merchant is trusted with 100*l.* in Flax, Hemp, Pitch, Tar, Iron, &c. from the *Baltick*—He sells 100*l.* in these Things to the several Trades of Rope-makers, Twine-makers, Shipwrights, Anchor-smiths, &c. and gives them Credit; another Merchant agrees with these for Cordage, Iron-work, &c. to build a Bark or Ship—The Fisherman agrees for Twine or Thread to make Nets and Ustensils for Fishing, and buyes or hires the Vessel to fish, and has Credit for all this—Then goes to any other Merchant, and buys Salt, to a Cooper, and buys Cask, for curing and barrelling up his Fish; and all these have Credit one of

of another, occasion'd purely from the first Merchant having Credit from the *Baltick*. Well, within the six Months, the Fisherman has a good Fishing Season, and catches a large Quantity of Herrings; he pays currently the Hire of the Bark to one, the Salt to the other, the Thread or Utensils to a third or fourth, and they in like manner to their Originals; and all this Trade is carry'd on with 100*l.* and that only in Credit. In short, it is all carry'd on with nothing at all; for perhaps the Fish taken by the Fisherman, who is the last, pays the Merchant, who was the first Giver of the Credit, and he transports those Fish to the *Baltick* to make good his foreign Credit.

Of all these here is a Profit, and every Profit is an Encrease of Wealth to the general Stock. The Circulation nourishes every Part it passes through, and Credit thus supplies the Room of Stock. I could enlarge on this Subject, but Experience is our common Instructor; let any Man but look round him, what Proportion is there between the Stock of *England* and the Credit of *England* in Trade; there is no naming them together. — Tho' the Stock is great too, Credit carries on Trade, its Circulation is infinite, and not to be express'd.

Again it is to be observ'd, what lessons and what creates Credit. Giving Credit as before to the last Consumer, is the Destruction of Credit; and even while you live you shall find it, where the circulating Credit is least, that dead Credit prevails. And this is the Ruin of the Credit of Trade, as I shall take the Freedom to say more largely hereafter.

To preserve Credit, whether Personal or Politically, one Essential is to be taken care of, *Viz.* A punctual, fair Performance of Contract, and Compliance with Appointments. — This is something equivalent to what you call Parol of Honour in Gentlemen, and is indeed not improperly call'd the Honour of Trade; upon this, Credit, and Trade, and every Thing depends; and indeed without this there is no carrying Trade on. — They tell us, that when Sir Thomas Gresham built the *Exchange* of London, he rais'd it upon Pillars, which he call'd his Props of Honour, intimating,

that the Honour of Merchants was to be the Support of the *Exchange*; and hence we have a Usage of accepting Bills for the Honour of the Drawer, when the Merchant, on whom a Bill is drawn, refuses or delays the Payment.

And I cannot but take Notice here, that this Credit in Trade is very much sunk of late in *Britain*, and I could demonstrate, how the Value, as well as Extent of our Trade, is lessen'd in Proportion. We complain of the War, and our Losses at Sea lessening our Trade, and I doubt not but it has so; but I must add also, the Breaches made upon our Trade by the Ruin of Credit, and that Ruin beginning at the Breach of Honour in Traders, have been the greatest Blow to our Commerce, that this Nation has felt for many Ages.

This has help'd on our running our Money into Loans and publick Funds, and has supply'd that Stock to the Government, which would otherwise have been employ'd in Trade; for as I noted before, tho' the Credit of our publick Funds is a great Reputation to the Kingdom in general, an Honour to the Government, and particularly to the Ministry, who have rais'd it to such a Head; yet I cannot say it is an Argument of the Encrease of Trade, but just the contrary.

This Discourse will naturally lead me on, to what I promis'd in my Introduction to this Volume, *viz.* To treat of Trade and Improvement, as the mighty Things next before us, for the making *Britain* the greatest and richest Nation in the World. — But let me however end this Review where I began it, from whence this has been a long Digression.

As Credit enables a Tradesman to do Wonders, to trade without a Stock, trust others with what is none of his own, and extend his Commerce to a hundred Times his Foundation; so has Credit wrought Wonders for the Government. Who can blame the King of *France* for venturing a War with the Confederates, believing they could never have exerted such a Force as they have done? If any Man of the sublimest Knowledge in the World was to have been ask'd twenty Years ago, if *England* could